

From: Roger Anderson
Sent: Thursday, July 10, 2008 10:20 AM
To: 'chris.russell@mail.house.gov'
Cc: 'amy.smith@mail.house.gov'
Subject: H.R. 6308

Dear Congressman Garrett:

I request your support for H.R. 6308, the *Municipal Bond Fairness Act*, which the House Financial Services Committee is scheduled to mark up next Tuesday, July 15.

H.R. 6308 would create a uniform standard for credit ratings across market sectors. Currently, the major rating agencies use different ratings scales for municipal and corporate securities. The rating agencies' own statistics show that the default rate for municipal securities of a given rating is a small fraction of the default rate for comparably rated corporate securities. Additionally, the recovery rate for defaulted municipal securities is significantly higher than that for defaulted corporate securities. This disparity in ratings scales has contributed to higher financing costs for state and local governments and has been especially painful during this year's market turmoil, as explained in more detail on page 2 of the Authority's recent newsletter, which is attached.

H.R. 6308 would not allow ratings agencies to receive the SEC's NRSRO accreditation unless they use uniform scales for all products. This uniformity will help governments and authorities across New Jersey and indeed the whole country. For that reason, several national state and local government associations have signed the attached letter in support of the legislation. I encourage your support for H.R. 6308. Please let me know if I can provide you with any additional information. I would be glad to meet with you to discuss this issue at your earliest convenience.

Sincerely,

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